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FISCAL IMPACT STATEMENT

LS 7244

BILL NUMBER: HB 1324

NOTE PREPARED: Jan 12, 2004

BILL AMENDED:

SUBJECT: Supplemental Wagering Tax.

FIRST AUTHOR: Rep. Denbo

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: The bill imposes a 1% supplemental Wagering Tax for the period beginning July 1, 2004, and ending on the first day of the month following the month in which a riverboat commences operations in a Historic Hotel District. Distributes tax revenues to the Historic Hotel Preservation Commission, Orange County, French Lick, West Baden Springs, and the tourism commissions of French Lick and West Baden Springs.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill imposes a 1% supplemental Wagering Tax on the riverboats beginning July 1, 2004, and terminating the month following the month when the Orange County riverboat casino commences operations. The supplemental Wagering Tax could potentially generate about \$24.6 M in FY 2005 and about \$26.5 M in FY 2006. The estimates are based on the Revenue Technical Committee's January 12, 2004 forecast for the Riverboat Wagering Tax in FY 2005; and forecast growth in wagering in FY 2005.

The potential start date for the Orange County casino is unknown at this time. However, the Indiana Gaming Commission is expected to select an operating agent for the Orange County riverboat by May 2004. It has

taken an average of 17 months from the time the certificate of suitability was issued by the Gaming Commission for the ten existing riverboats to commence gaming operations. (The certificate of suitability is issued by the Gaming Commission to a person who has been chosen to receive a Riverboat Owner's License.) The table below reports the estimated distributions from the supplemental Wagering Tax.

Recipient	Distribution	FY 2005	FY 2006
Historic Hotel Preservation Commission	50%	\$12.3 M	\$13.25 M
Orange County	10%	\$2.46 M	\$2.65 M
French Lick	10%	\$2.46 M	\$2.65 M
West Baden Springs	10%	\$2.46 M	\$2.65 M
West Baden Springs Tourism Commission	10%	\$2.46 M	\$2.65 M
French Lick Tourism Commission	10%	\$2.46 M	\$2.65 M
Total		\$24.6 M	\$26.5 M

The bill specifies that the revenue from the supplemental Wagering Tax is miscellaneous revenue and may be used for any legal and corporate purpose of the local unit. However, the bill prohibits a local unit from using the revenue to reduce its maximum levy. It does allow a local unit to use the revenue to reduce its property tax for a particular year.

State Agencies Affected:

Local Agencies Affected: Local units in Orange County.

Information Sources: State Revenue Forecast, January 12, 2004.

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